

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3526-01  
BILL NO.: HB 1686  
SUBJECT: Education, Elementary and Secondary: Teachers  
TYPE: Original  
DATE: March 1, 2000

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$102,500)	(\$192,500)	(\$632,500)
National Teacher Certification Incentive Reward	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$102,500)</b>	<b>(\$192,500)</b>	<b>(\$632,500)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

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**FISCAL ANALYSIS**

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**ASSUMPTION**

Officials from the **State Treasurer's Office** assume the proposal would result in no fiscal impact to the agency.

Officials from the **Joint Committee on Public Employee Retirement** stated their review of the legislation indicates it would not affect retirement plan benefits as defined in Section 105.660(5).

Officials from the **Public School Retirement System and Non-Teacher School Employee Retirement System** assume the legislation does not affect the systems.

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as approximately 6 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$22.50. The estimated cost of a page in the Code of State Regulations is \$26.50. The actual costs could be more or less the SOS's estimated cost of \$361.50 for FY 2001. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn. **Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume at the present time, there are 29 National Board Certified teachers in Missouri. National Board certificates are valid for 10 years. Assuming that the teachers receiving the National Board Certification in 1999 would be the first teachers eligible to receive the bonus, the costs for FY 2001, 2002 and 2003 are calculated as follows:

FY 2001: 12 teachers (1st year after cert.) X \$5,000 = \$	60,000
17 teachers (subsequent years) X \$2,500 = \$	42,500
	\$ 102,500

FY 2002: 24 teacher (1st year after cert. ) X \$5,000 = \$	120,000
29 teachers (subsequent years) X \$2,500 = \$	72,500
	\$ 192,500

**ASSUMPTION** (continued)

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FY 2003: 100 teachers\*(1st year after cert)X \$5,000 =\$ 500,000  
 53 teachers (subsequent years) X \$2,500 = \$ 132,500  
 \$ 632,500

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>GENERAL REVENUE FUND</b>			
<u>Cost-General Revenue Fund</u>			
Appropriation to the National Teacher Certification Incentive Reward Fund	<u>(\$102,500)</u>	<u>(\$192,500)</u>	<u>(\$632,500)</u>
<b>NATIONAL TEACHER CERTIFICATION INCENTIVE REWARD FUND</b>			
<u>Income-National Teacher Certification Incentive Reward Fund</u>			
Appropriation from General Revenue	\$102,500	\$192,500	\$632,500
<u>Cost-Department of Elementary and Secondary Education (DESE)</u>			
Teacher Bonuses	(\$102,500)	(\$192,500)	(\$632,500)
<b>ESTIMATED NET EFFECT ON NATIONAL TEACHERS CERTIFICATION INCENTIVE REWARD FUND</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>SCHOOL DISTRICTS</b>			

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>Income-School Districts</u>			
Bonus Reimbursement from DESE	\$102,500	\$192,500	\$632,500
<u>Cost-School Districts</u>			
Teacher Bonuses	(\$102,500)	(\$192,500)	(\$632,500)
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The Department of Elementary and Secondary Education would adopt a National Teacher Certification Incentive Reward Program to encourage teachers to voluntarily apply for and achieve teacher certification by the National Board for Professional Teaching Standards. Teachers could apply for a bonus from the program.

The General Assembly would make an annual appropriation from the General Revenue Fund to the National Teacher Certification Incentive Reward Fund for the sole purpose of funding bonuses.

The bonus could be paid in a lump sum at the beginning of the fiscal year to a school district to cover all bonuses owed to teachers.

The amount of the bonus would be \$5,000 for the first school year after the achievement of the certification and \$2,500 for every subsequent year for the life of the certificate.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

JM:LR:OD:005 (9-94)

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State Treasurer's Office  
Secretary of State's Office  
Public School Retirement System  
Non-Teacher School Employee Retirement System  
Joint Committee on Public Employee Retirement

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA  
Director  
March 1, 2000